



2001 Small Business Profile: CALIFORNIA

That the small business sector is as an economic engine indispensable to California's well being is apparent in the *2001 Small Business Profile*, compiled by the U.S. Small Business Administration's Office of Advocacy. The results in this report show that small businesses are job generators and innovators, and that they represent an array of opportunities to the diverse spectrum of individuals in their communities.

Number of Businesses. In 2000, the number of employer businesses increased by 3.7 percent, and it is estimated that the number of self-employed individuals decreased by 0.1 percent. There were 939,979 employer businesses, and nearly 99.2 percent were small (with fewer than 500 employees) in 2000. Self-employed persons were estimated at 1,504,815 in 2000. (Sources: U.S. Dept. of Labor, Employment and Training Administration; U.S. Dept. of Commerce, Bureau of the Census; U.S. Dept. of Labor, Bureau of Labor Statistics)

Women-Owned Businesses. Women-owned businesses generated \$121.2 billion in revenues, employed 932,462 workers, and constituted 700,500 firms or 27.3 percent of all firms in 1997. The data on women-owned firms are not comparable between 1992 and 1997. (Sources: U.S. Dept. of Labor, Bureau of Labor Statistics, U.S. Dept. of Commerce, Bureau of the Census)

Minority-Owned Businesses. According to the latest (1997) Census data, a total of 738,000 minority-owned businesses represented 28.8 percent of the businesses in the state and generated \$182.9 billion in revenues. Of these, 152,200 were employer businesses employing a total of 1,270,199 workers. There were 336,400 Hispanic-owned firms; 79,100 Black-owned businesses; 316,000 Asian and Pacific Islander-owned firms; and 26,600 American Indian and Alaskan Native-owned businesses in 1997. (The data on minority-owned firms are not comparable between 1992 and 1997.) Data may not sum to the total because an owner may be a member of more than one minority group. (Source: U.S. Dept. of Commerce, Bureau of

the Census)

Business Turnover. There were 7.3 percent or 167,047 more new employer firms in 2000 than in 1999. Business bankruptcies totaled 4,595 in 2000, a decrease of 8.4 percent since 1999, while business terminations amounted to 134,541, an increase of 24.9 percent from 1999. (Sources: U.S. Dept. of Labor, Employment and Training Administration; Administrative Office of the U.S. Courts; U.S. Dept. of Commerce, Bureau of the Census)

Employment. Small business employment represented 53.4 percent of the state's total employment and firms numbered 636,742 in 1998. Small businesses employed 6,420,943 of the state's 12,026,989 total non-farm private sector workers (Table 1). (Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses)

Small Business Income. The non-farm proprietors' share of small business income totaled \$104.9 billion—an increase of 8.7 percent from \$96.5 billion in 1999. (Source: U.S. Dept. of Commerce)

Finance. Small businesses often rely upon local bank services, and the number of banks within the state has decreased over the last five years. The Office of Advocacy has published banking studies identifying banks within the state that are small-business-friendly. (See Table 2 for the number of banks by asset size.) Small businesses seeking loans should also consider lenders that participate in the SBA's preferred or certified loan programs; for a list of these lenders, call the Small Business Answer Desk at (800) 827-5722.

For more information on the Office of Advocacy's data, analyses, and research reports on small business, visit www.sba.gov/advo/stats or call (202) 205-6530.

Table 1. Firms and Employment in the State by Industry and Firm Size (Thousands), 1998

Industry	Firms		Employment	
	Total	<500	Total	<500
Total	642.2	636.7	12027.0	6420.9
Agriculture, forestry, fishing, and hunting	2.3	2.3	26.2	22.5
Mining	0.8	0.7	21.8	9.9
Utilities	0.5	0.5	52.0	5.1
Construction	63.6	63.4	621.8	546.4
Manufacturing	47.2	45.7	1827.4	984.6
Wholesale trade	51.2	49.9	769.7	529.8
Retail trade	71.9	71.2	1382.6	624.8
Transportation and warehousing	14.0	13.7	386.1	166.9
Information	13.8	13.4	474.9	143.7
Finance and insurance	23.7	23.2	599.9	195.6
Real estate; rental and leasing	31.9	31.6	257.6	185.3
Professional, scientific, and technical services	82.6	81.9	923.2	531.8
Management of companies and enterprises	3.1	2.0	277.2	35.2
Admin., support, waste mngt., and remed., services	35.8	35.2	992.3	433.9
Educational services	7.6	7.5	239.5	127.1
Health care and social assistance	69.1	68.7	1270.0	625.7
Arts, entertainment, and recreation	13.5	13.4	230.1	136.9
Accommodation and food services	48.6	48.2	1052.2	667.5
Other services	61.3	61.0	517.5	428.7
Auxiliary, except corp, subsidiary, and regional managing offices	0.9	0.4	93.0	7.7
Unclassified	7.5	7.5	11.9	11.9

* Disclosed

Source: U.S. Department of Commerce, Bureau of the Census.

Table 2. Number of Banks in the State by Asset Size, 2000

Number of Banks, 1996-2000					Bank Asset Size Class, 2000				
1996	1997	1998	1999	2000	<\$100M	\$100M-\$500M	\$500M-\$1B	\$1B-\$10B	>\$10B
367	339	336	334	315	100	148	32	32	3

Source: U.S. Small Business Administration, Office of Advocacy, from data collected by the Federal Reserve Board.

The full list of small-business-friendly banks can be found on the Office of Advocacy's website at www.sba.gov/advo/lending